

SENATE BILL 4038

By Burchett

AN ACT to amend Tennessee Code Annotated, Title 47,
Chapter 18, relative to gift certificates and gift
cards.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, Part 1, is amended by
adding the following as new sections:

§ 47-18-129. As used in this act, unless the context otherwise requires:

(1) "Dormancy fee" means a charge imposed against the unused value
of a gift certificate or gift card due to inactivity;

(2) "Gift card" means a tangible device, on which is embedded or
encoded in an electronic or other format a value issued in exchange for payment,
which promises to provide to the bearer merchandise of equal value to the
remaining balance of the device. "Gift card" does not include a prepaid
telecommunications or technology card, prepaid bank card or rewards card;

(3) "Gift certificate" means a written promise given in exchange for
payment to provide merchandise in a specified amount or of equal value to the
bearer of the certificate. "Gift certificate" does not include a prepaid
telecommunications or technology card, prepaid bank card or rewards card;

(4) "Merchandise" means and includes any objects, wares, goods,
commodities, services or anything offered, directly or indirectly, to the public for
sale;

(5) "Prepaid bank card" means a general use, prepaid card or other
electronic payment device that is issued by a bank or other financial institution, or
a licensed money transmitter, in a pre-denominated amount usable at multiple,

unaffiliated merchants or at automated teller machines, or both, but does not include a card issued by a retail merchant;

(6) "Prepaid telecommunications or technology card" includes, but is not limited to: a prepaid telephone calling card; prepaid technical support card; or prepaid Internet disk distributed to or purchased by a consumer; and

(7) "Rewards card" means a card or certificate distributed by the issuer to a consumer pursuant to an awards, loyalty, rewards or promotional program, without any money or other consideration or thing of value by the consumer in exchange for the card or certificate.

§ 47-18-130.

(a) On or after July 1, 2008, a gift certificate or gift card shall retain its full unused value until presented in exchange for merchandise.

(b) No gift certificate or gift card shall expire until the full unused value of such certificates or cards has been spent.

(c) No dormancy fee shall be charged against a gift certificate or gift card.

SECTION 2. Tennessee Code Annotated, Section 47-18-104(b), is amended by adding the following as a new, appropriately designated subsection:

() Failing to comply with § 47-18-130.

SECTION 3. The commissioner is authorized to promulgate rules and regulations to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

SECTION 4. This act shall take effect on July 1, 2008, the public welfare requiring it.